

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	:	
On Its Own Motion	:	
	:	
Consideration of the federal standard	:	08-0677
on energy efficiency for gas utilities in	:	
Section 532(b) of the Energy	:	
Independence and Security Act of	:	
2007	:	

ORDER

By the Commission:

On December 19, 2007, the Energy Independence and Security Act of 2007 ("EISA 2007") (P.L. 110-140) was signed into law. Certain provisions of EISA 2007 amend the Public Utility Regulatory Policies Act of 1978 ("PURPA") to mandate certain considerations by state regulatory agencies. Section 532(b) of EISA 2007 amends Section 303(b) of PURPA (16 U.S.C. 3203(b)) by adding the following language:

- (5) ENERGY EFFICIENCY.—Each natural gas utility shall—
- (A) integrate energy efficiency resources into the plans and planning processes of the natural gas utility; and
 - (B) adopt policies that establish energy efficiency as a priority resource in the plans and planning processes of the natural gas utility.

In a Staff Report dated November 19, 2008, the Staff of the Energy Division indicates that the Commission's consideration of the natural gas standard on energy efficiency must be completed by December 19, 2009. Title III of PURPA applies to natural gas utilities that have annual retail sales greater than 10 billion cubic feet (approximately 100,000,000 therms). According to the Staff Report, there are six utilities whose retail sales exceed 10 billion cubic feet. These utilities are Central Illinois Light Company (AmerenCILCO), Central Illinois Public Service Company (AmerenCIPS), Illinois Power Company (AmerenIP), Northern Illinois Gas Company (Nicor Gas Company), North Shore Gas Company, and Peoples Gas Light & Coke Company.

Based upon the foregoing, and upon the recommendation in a Staff Report dated November 19, 2008, the Commission determines that it is now appropriate to begin the investigation contemplated by Section 532(b) of EISA 2007.

The Commission, being fully advised in the premises, is of the opinion and finds that:

- (1) the Commission has jurisdiction over the subject matter of this proceeding;
- (2) it is appropriate to take administrative notice of the amendments to PURPA contained in P.L. 110-140;
- (3) the Staff Report dated November 19, 2008 should be made part of the record in this proceeding;
- (4) the statements of fact and conclusions reached in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;
- (5) it is appropriate to issue public notice and institute a rulemaking proceeding to consider and make a determination concerning whether or not this Commission will adopt or decline to adopt the standard on energy efficiency for gas utilities set forth in Section 303(b)(5) of PURPA (16 U.S.C. 3203(b)(5)), as created by EISA 2007 for each gas utility whose retail sales of natural gas exceed the amount specified in PURPA;
- (6) all gas utilities whose retail sales of natural gas exceed the amount specified in PURPA and all other gas utilities for which the Commission has ratemaking authority should be made parties to this proceeding;
- (7) a determination concerning whether or not this Commission will adopt the standard set forth in Section 303(b)(5) of PURPA (16 U.S.C. 3203(b)(5)) for each gas utility whose retail sales of natural gas exceed the amount specified in PURPA should be rendered through the issuance of an interim or final order in this rulemaking proceeding no later than December 19, 2009.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that a rulemaking proceeding is instituted to consider, and make a determination concerning, whether or not this Commission will adopt the standard set forth in Section 303(b)(5) of PURPA (16 U.S.C. 3203(b)(5)) for each gas utility whose retail sales of natural gas exceed the amount specified in PURPA.

IT IS FURTHER ORDERED that a determination concerning whether or not this Commission will adopt the standard established under Section 303(b)(5) of PURPA (16 U.S.C. 3203(b)(5)) shall be made through the issuance of an interim or final order no later than December 19, 2009.

IT IS FURTHER ORDERED that the Staff Report dated November 19, 2008 is made a part of the record of this proceeding.

IT IS FURTHER ORDERED that this Order is not final; it is not subject to the Administrative Review Law.

By Order of the Commission this 17th day of December, 2008.

(SIGNED) CHARLES E. BOX

Chairman